

Article 15B.

North Carolina Motor Vehicle Repair Act.

**§ 20-354. Short title.**

This act shall be known and may be cited as the "North Carolina Motor Vehicle Repair Act."  
(1999-437, s. 1.)

**§ 20-354.1. Scope and application.**

This act shall apply to all motor vehicle repair shops in North Carolina, except:

- (1) Any motor vehicle repair shop of a municipal, county, State, or federal government when carrying out the functions of the government.
- (2) Any person who engages solely in the repair of any of the following:
  - a. Motor vehicles that are owned, maintained, and operated exclusively by that person for that person's own use.
  - b. For-hire vehicles which are rented for periods of 30 days or less.
- (3) Any person who repairs only motor vehicles which are operated principally for agricultural or horticultural pursuits on farms, groves, or orchards and which are operated on the highways of this State only incidentally en route to or from the farms, groves, or orchards.
- (4) Motor vehicle auctions or persons in the performance of motor vehicle repairs solely for motor vehicle auctions.
- (5) Any motor vehicle repair shop in the performance of a motor vehicle repair if the cost of the repair does not exceed three hundred fifty dollars (\$350.00).
- (6) Any person or motor vehicle repair shop in the performance of repairs on commercial construction equipment or motor vehicles that have a GVWR of at least 26,001 pounds.
- (7) When a third party has waived in writing the right to receive written estimates from the motor vehicle repair shop; the third party indicates to the motor vehicle repair shop that the repairs will be paid for by the third party under an insurance policy, service contract, mechanical breakdown contract, or manufacturer's warranty; and the third party further indicates that the customer's share of the cost of repairs, if any, will not exceed three hundred fifty dollars (\$350.00).  
(1999-437, s. 1; 2001-298, s. 1.)

**§ 20-354.2. Definitions.**

As used in this act:

- (1) "Customer" means the person who signs the written repair estimate or any other person whom that person designates as a person who may authorize repair work.
- (2) "Employee" means an individual who is employed full time or part time by a motor vehicle repair shop and performs motor vehicle repairs.
- (3) "Motor vehicle" means any automobile, truck, bus, recreational vehicle, motorcycle, motor scooter, or other motor-powered vehicle, but does not include trailers, mobile homes, travel trailers, or trailer coaches without independent motive power, or watercraft or aircraft.
- (4) "Motor vehicle repair" means all maintenance of and modification and repairs to motor vehicles and the diagnostic work incident to those repairs, including,

but not limited to, the rebuilding or restoring of rebuilt vehicles, body work, painting, warranty work, shop supply fees, hazardous material disposal fees incident to a repair, and other work customarily undertaken by motor vehicle repair shops. Motor vehicle repair does not include the sale or installation of tires when authorized by the customer.

- (5) "Motor vehicle repair shop" means any person who, for compensation, engages or attempts to engage in the repair of motor vehicles owned by other persons and includes, but is not limited to:
- a. Mobile motor vehicle repair shops.
  - b. Motor vehicle and recreational vehicle dealers.
  - c. Garages.
  - d. Service stations.
  - e. Self-employed individuals.
  - f. Truck stops.
  - g. Paint and body shops.
  - h. Brake, muffler, or transmission shops.
  - i. Shops doing glasswork.

Any person who engages solely in the maintenance or repair of the coach portion of a recreational vehicle is not a motor vehicle repair shop. (1999-437, s. 1; 2005-463, s. 1.)

**§ 20-354.3. Written motor vehicle repair estimate and disclosure statement required.**

(a) When any customer requests a motor vehicle repair shop to perform repair work on a motor vehicle, the cost of which repair work will exceed three hundred fifty dollars (\$350.00) to the customer, the shop shall prepare a written repair estimate, which is a form setting forth the estimated cost of repair work, including diagnostic work, before effecting any diagnostic work or repair. In determining under this section whether the cost of the repair work exceeds three hundred fifty dollars (\$350.00), the cost of the repair work shall consist of the cost of parts and labor necessary for the repair work and any charges for necessary diagnostic work and teardown, if any, and shall include any taxes, any other repair shop supplies or overhead, and any other extra services that are incidental to the repair work. The written repair estimate shall also include a statement allowing the customer to indicate whether replaced parts should be saved for inspection or return and a statement indicating the daily charge for storing the customer's motor vehicle after the customer has been notified that the repair work has been completed.

(b) The information required by subsection (a) of this section need not be provided if the customer waives in writing his or her right to receive a written estimate. A customer may waive his or her right to receive any written estimates from a motor vehicle repair shop for a period of time specified by the customer in the waiver.

(c) Except as provided in subsection (e) of this section, a copy of the written repair estimate required by subsection (a) of this section shall be given to the customer before repair work is begun.

(d) If the customer leaves his or her motor vehicle at a motor vehicle repair shop during hours when the shop is not open, or if the motor vehicle repair shop reasonably believes that an accurate estimate of the cost of repairs cannot be made until after the diagnostic work has been completed, or if the customer permits the shop or another person to deliver the motor vehicle to the shop, there shall be an implied partial waiver of the written estimate; however, upon completion

of the diagnostic work necessary to estimate the cost of repair, the shop shall notify the customer as required by G.S. 20-354.5(a).

(e) Nothing in this section shall be construed to require a motor vehicle repair shop to give a written estimate price if the motor vehicle repair shop does not agree to perform the requested repair. (1999-437, s. 1; 2001-298, s. 2; 2005-304, s. 1.)

**§ 20-354.4. Charges for motor vehicle repair estimate; requirement of waiver of rights prohibited.**

(a) Before proceeding with preparing an estimate, the shop shall do both of the following:

- (1) Disclose to the customer the amount, if any, of the charge for preparing the estimate.
- (2) Obtain a written authorization to prepare an estimate if there is a charge for that estimate.

(b) It is a violation of this Article for any motor vehicle repair shop to require that any person waive his or her rights provided in this Article as a precondition to the repair of his or her vehicle by the shop or to impose or threaten to impose any charge which is clearly excessive in relation to the work involved in making the price estimate for the purpose of inducing the customer to waive his or her rights provided in this Article. (1999-437, s. 1.)

**§ 20-354.5. Notification of charges in excess of repair estimate; prohibited charges; refusal to return vehicle prohibited; inspection of parts.**

(a) In the event that any of the following applies, the customer shall be promptly notified by telephone, telegraph, mail, or other means of the additional repair work and estimated cost of the additional repair work:

- (1) The written repair estimate contains only an estimate for diagnostic work necessary to estimate the cost of repair and such diagnostic work has been completed.
- (2) A determination is made by a motor vehicle repair shop that the actual charges for the repair work will exceed the written estimate by more than ten percent (10%).
- (3) An implied partial waiver exists for diagnostic work, and the diagnostic work has been completed.

When a customer is notified, he or she shall, orally or in writing, authorize, modify, or cancel the order for repair.

(b) If a customer cancels the order for repair or, after diagnostic work is performed, decides not to have the repairs performed, and if the customer authorizes the motor vehicle repair shop to reassemble the motor vehicle, the shop shall expeditiously reassemble the motor vehicle in a condition reasonably similar to the condition in which it was received.

After cancellation of the repair order or a decision by the customer not to have repairs made after diagnostic work has been performed, the shop may charge for and the customer is obligated to pay the cost of repairs actually completed that were authorized by the written repair estimate as well as the cost of diagnostic work and teardown, the cost of parts and labor to replace items that were destroyed by teardown, and the cost to reassemble the component or the vehicle, provided the customer was notified of these possible costs in the written repair estimate or at the time the customer authorized the motor vehicle repair shop to reassemble the motor vehicle.

(c) It is a violation of this Article for a motor vehicle repair shop to charge more than the written estimate and the amount by which the motor vehicle repair shop has obtained authorization to exceed the written estimate in accordance with subsections (a) or (b) of this section, plus ten percent (10%).

(d) It is a violation of this Article for any motor vehicle repair shop to refuse to return any customer's motor vehicle because the customer refused to pay for repair charges that exceed a written estimate and any amounts authorized by the customer in accordance with subsection (a) or (b) of this section by more than ten percent (10%), provided that the customer has paid the motor vehicle repair shop the amount of the estimate and the amounts authorized by the customer in accordance with subsections (a) and (b) of this section, plus ten percent (10%).

(e) Upon request made at the time the repair work is authorized by the customer, the customer is entitled to inspect parts removed from his or her vehicle or, if the shop has no warranty arrangement or exchange parts program with a manufacturer, supplier, or distributor, have them returned to him or her. A motor vehicle repair shop may discard parts removed from a customer's vehicle or sell them and retain the proceeds for the shop's own account if the customer fails to take possession of the parts at the shop within two business days after taking delivery of the repaired vehicle. (1999-437, s. 1; 2001-298, ss. 3, 4.)

#### **§ 20-354.6. Invoice required of motor vehicle repair shop.**

The motor vehicle repair shop shall provide each customer, upon completion of any repair, with a legible copy of an invoice for such repair. The invoice shall include the following information:

- (1) A statement indicating what was done to correct the problem or a description of the service provided.
- (2) An itemized description of all labor, parts, and merchandise supplied and the costs of all labor, parts, and merchandise supplied. No itemized description is required to be provided to the customer for labor, parts, and merchandise supplied when a third party has indicated to the motor vehicle repair shop that the repairs will be paid for under a service contract, under a mechanical breakdown contract, or under a manufacturer's warranty, without charge to the customer.
- (3) A statement identifying any replacement part as being used, rebuilt, or reconditioned, as the case may be. (1999-437, s. 1; 2001-298, s. 5; 2002-159, s. 32.)

#### **§ 20-354.7. Required disclosure; signs; notice to customers.**

A sign, at least 24 inches on each side, shall be posted in a manner conspicuous to the public. The sign shall contain:

- (1) That the consumer has a right to receive a written estimate or to waive receipt of that estimate if the cost of repairs will exceed three hundred fifty dollars (\$350.00).
- (2) That the consumer may request, at the time the work order is taken, the return or inspection of all parts that have been replaced during the motor vehicle repair. (1999-437, s. 1.)

#### **§ 20-354.8. Prohibited acts and practices.**

It shall be a violation of this Article for any motor vehicle repair shop or employee of a motor vehicle repair shop to do any of the following:

- (1) Charge for repairs which have not been expressly or impliedly authorized by the customer.
- (2) Misrepresent that repairs have been made to a motor vehicle.
- (3) Misrepresent that certain parts and repairs are necessary to repair a vehicle.
- (4) Misrepresent that the vehicle being inspected or diagnosed is in a dangerous condition or that the customer's continued use of the vehicle may be harmful or cause great damage to the vehicle.
- (5) Fraudulently alter any customer contract, estimate, invoice, or other document.
- (6) Fraudulently misuse any customer's credit card.
- (7) Make or authorize in any manner or by any means whatever any written or oral statement which is untrue, deceptive, or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue, deceptive, or misleading, related to this Article.
- (8) Make fraudulent promises of a character likely to influence, persuade, or induce a customer to authorize the repair, service, or maintenance of a motor vehicle.
- (9) Substitute used, rebuilt, salvaged, or straightened parts for new replacement parts without notice to the motor vehicle owner and to his or her insurer if the cost of repair is to be paid pursuant to an insurance policy and the identity of the insurer or its claims adjuster is disclosed to the motor vehicle repair shop.
- (10) Cause or allow a customer to sign any work order that does not state the repairs requested by the customer.
- (11) Refuse to give to a customer a copy of any document requiring the customer's signature upon completion or cancellation of the repair work.
- (12) Rebuild or restore a rebuilt vehicle without the knowledge of the owner in a manner that does not conform to the original vehicle manufacturer's established repair procedures or specifications and allowable tolerances for the particular model and year.
- (13) Perform any other act that is a violation of this Article or that constitutes fraud or misrepresentation under this Article. (1999-437, s. 1.)

**§ 20-354.9. Remedies.**

Any customer injured by a violation of this Article may bring an action in the appropriate court for relief. The prevailing party in that action may be entitled to damages plus court costs and reasonable attorneys' fees. The customer may also bring an action for injunctive relief in the appropriate court. A violation of this Article is not punishable as a crime; however, this Article does not limit the rights or remedies which are otherwise available to a consumer under any other law. (1999-437, s. 1.)

**§§ 20-354.10 through 20-355. Reserved for future codification purposes.**